

Resources, Rent-Seeking, and Reform in Thailand and Myanmar (Burma)

The Economics-Politics Nexus

ABSTRACT

This article examines the economics-politics nexus in Thailand and Myanmar in the context of rent-seeking, revenues from oil and gas resources, and possible political reform.

KEYWORDS: corruption, resources, democracy, reform, civil society

INTRODUCTION

Thailand's relatively free print media in November 2008 carried stories indicative of the different stages of political development currently experienced by Thailand and its neighbor, Myanmar (Burma). The *Irrawaddy Magazine* that month proclaimed: "40 Burmese Dissidents Given Prison Terms of up to 65 years"; "Young Burmese Blogger Sentenced to More Than 20 Years in Jail"; "Two More Join Burma's List of Detained Journalists."¹ By contrast, the *Bangkok Nation*, a leading Thai newspaper, announced that newly elected Bangkok Governor Apirak Kosayodhin had resigned because the National Counter-Corruption Commission (NCCC) had found him guilty.² Convicted along with Apirak were former Prime Minister Samak Sundaravej, former Interior Minister Bhokin Bhalakula, and former Commerce Minister Wattana Muangsuk, in relation to a 6.6 million baht (US\$220,000) fire-engine

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1. *Irrawaddy Magazine*, November 2008. The dissidents' sentences arose from the deliberations of a "Special Court" convened in secret in Yangon's Insein Prison. Myanmar needs a complete overhaul of its legal framework and judiciary.

2. *Bangkok Nation*, November 13, 2008.

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procurement contract.³ A new election for governor was held, even though Apirak's Democrat Party colleagues urged him to stay in office pending an appeal.

Other headlines in the *Bangkok Nation* around the same time announced that Britain had canceled the visa of former Prime Minister Thaksin Shinawatra because of his jail sentence for abuse of power arising from the Ratchadaphisek land fraud case, and that the Philippines would reject any request from Thaksin for asylum. The newspaper said Thaksin had put his family's interests above the nation's. In the meantime, pro- and anti-government rallies by those supporting the People's Power Party (PPP)⁴ or its opponents, the People's Alliance for Democracy (PAD),⁵ were spreading. This kept alive the political turmoil that has wracked Thailand since May 2008, when the new government elected in December 2007 indicated its intention to amend the military-drafted 2007 Constitution in order to absolve Thaksin of corruption allegations.⁶

The *Myanmar Times*, one of the English-language outlets of the government-controlled Myanmar media, in November 2008 had a different perspective on "news." Its headlines read: "More Cooperation Needed on Food Supplies"; "Government Rejects Bangladesh Demands."⁷ The different emphases between the media demonstrate how a free, as opposed to a controlled, press can focus a spotlight on government actions. The emphases also reflect the different stages of institutional development in the two societies. Where *The Irrawaddy* highlights the lack of an independent judiciary in the military dictatorship that is Myanmar, the *Bangkok Nation* articulates the alleged independence of the Thai judiciary in prosecuting a former prime minister. It also

3. Samak Sundaravej was Bangkok's governor when the fire engines contract was made. Apirak had approved a letter of credit to an Austrian firm. This violated the Government Procurement Act.

4. The name evokes allusions to the People's Party, which overthrew the absolute monarchy in 1932; the reverberations of the PPP name may not assist Thaksin who was accused of seeking to supplant the highly revered Thai monarchy. Duncan McCargo, ed., *Rethinking Thailand's Southern Violence* (Copenhagen: NIAS [Nordic Institute of Asian Studies] Press, 2007), explores the concept of a "Network Monarchy," which Thaksin allegedly set out to destroy.

5. The PAD is a mixture of urban intellectuals, some of whom participated in the 1992 anti-military demonstrations; civil society groups and labor activists; and old-style Thai aristocrats opposed to Thaksin's abuse of power.

6. These included a large Ex-Im bank loan to Myanmar of 4 billion baht (\$103 million) for telecommunications equipment on the condition that it be purchased from Thaksin's family company, Shin Corporation, and tax evasion charges relating to the sale of Shin Corporation to the Singapore-based Temasek Corporation.

7. *Myanmar Times*, November 11–16, 2008.

points to the resilience of the reconstituted NCCC in pursuing *all* holders of public office accused of malfeasance, regardless of political affiliation.

Thai institutions have not always been so resilient. At the end of World War Two, the two countries, then called Burma and Siam, were at approximately equal stages of political development. Burma in its first decade of independence began in 1948 as a parliamentary democracy under the late Premier U Nu. It might have looked to a more favorable future, but the major institutions supporting its fledgling democracy proved fragile.⁸ Thailand, a military dictatorship since November 1947, had chased the founding father of its democratic development, the late Premier Pridi Panomyong, into ignominious exile, accused of being complicit in the 1946 regicide of the young King Ananda Mahidol. However, despite periods of more democratic forms of governance (as in Burma, 1948–58 and 1960–62, and in Thailand, 1973–76 and 1992–2006), military dictatorships and corruption have been the preponderant forms of political society in both countries for much of their post-war history.

One of the major criticisms of Thaksin during his terms of office (2001–05; 2005–06) was that he undermined the institutions established by the “reformist” 1997 Constitution. The document had been intended to stem the tide of political and bureaucratic corruption and ensure greater transparency in government procurement procedures. In the decade before 1997, corruption and opaqueness together had resulted in leakage from the national budget of over 30%, according to a member of Parliament (MP) who had served on the budget scrutinizing committee.⁹ Awareness of the importance of Thai institutions—the NCCC, Electoral Commission, Constitutional Court, Supreme Court, Ombudsman, Human Rights Commission, and National

8. Thant Myint-U, *River of Lost Footsteps: A Personal History of Burma* (London: Faber, 2008), discusses the venality of the Burmese judiciary and its adverse impact on his grandfather's, U Thant's, own family. Venality and conflicts of interest resulted in an irremediable split in the ruling Anti-Fascist People's Freedom League (AFPFL) in 1958, setting Burma up for decades of military rule following Ne Win's coup on March 2, 1962. The untrustworthiness of civilian politicians proved useful propaganda for Ne Win and successive military governments in Burma/Myanmar to discredit democratic political formations.

9. Pasuk Phongpaichit and Sungsidh Piriyaangsan, *Corruption and Democracy in Thailand* (Bangkok: Chulalongkorn University, Political Economy Center, 1994), p. 151. The 1997 Constitution was discriminatory in requiring academic educational qualifications for all elected politicians, thus limiting the potential participation in the nation's political life of large numbers of citizens and paving the way for Thaksin's Thai Rak Thai (TRT) party's populist policies. The military-sponsored 2007 Constitution features a return to a partially appointed Senate, a retrograde step in terms of democratic institutional development.

Audit Committee—in sustaining the credibility of Thai democracy led to a concerted attempt in the 2007 Constitution to ensure that they remain robust, unable to be suborned by current or future elected politicians. An opinion poll conducted by Bangkok's Assumption Business Administration College (ABAC) in April 2008 among Bangkok residents found that 80% of interviewees were prepared to let the courts decide on the corruption allegations against Thaksin and other politicians. This result, in fact, showed considerable faith among the Bangkok public in the Thai judicial system.¹⁰

Thailand, by the election of late 2007, had returned to a precarious form of contested democratic governance. Still, corruption at all levels of the administrative apparatus plagues both it and Myanmar. Thailand, in Larry Diamond's terms, is a superficial democracy that exhibits an "authoritarian undertow."¹¹ Myanmar has the unenviable distinction of being identified as one of the world's most corrupt polities by the 2007 Transparency International Corruption Index, which accorded it a score of 1.9, just above Haiti.¹² This result correlates with low scores for Myanmar on the 2007/08 United Nations Development Program's (UNDP) Human Development Index (.58, just below Cambodia and Laos) and a medium score for Thailand (.78).¹³ It appears that extensive leakage from both national budgets derives from political and bureaucratic forms of corruption as well as ill-designed socioeconomic policies. These policies have failed to address the increasing disparity in income distribution, suggesting that harm is being done to the majority of both populations.

In 1996, just one year before the Asian financial crisis and after some years of export-led economic growth averaging over 7% annually, Pasuk and Sungsidh observed: "Among middle-income countries, Thailand now ranks sixth worst in income distribution, surpassed only by five Latin American countries."¹⁴ The richest 40% of Thais controlled 77% of the country's wealth; the poorest 60% controlled only 23% of wealth. Does this correlation

10. Medhi Krongkaew, seminar "New Dimension in Anti-corruption Movements in Thailand," Australian National University, Sparke-Helmore Law Theater, April 16, 2008.

11. Larry Diamond, "The Democratic Rollback: The Resurgence of the Predatory State," *Foreign Affairs* 87:2 (March/April 2008), pp. 36–48.

12. Transparency International Corruption Perceptions Index 2007, at <www.transparencyinternational.org>, accessed September 4, 2008.

13. UNDP Human Development Report 2007/2008, *Fighting Climate Change: Human Solidarity in a Divided World* (Houndmills, Basingstoke, U.K.: Palgrave Macmillan, 2007), pp. 235–36.

14. Pasuk Phongpaichit, Sungsidh Piriyarangsanan, and Nualnoi Treerat, *Challenging Social Exclusion: Rights and Livelihood in Thailand* (Geneva: Institute for Labor Studies, 1996), p. 13, show that over the previous 20 years, the richest 20% of the population increased their share of the national wealth

suggest that despite the adoption of more democratic forms of governance in Thailand,¹⁵ the actual political societies of Thailand and Myanmar are more closely aligned than may at first be apparent, with the major share of the nation's wealth concentrated in comparatively few hands? Certainly, both are hierarchical, authoritarian-style societies dominated by military and bureaucratic elites. Throughout October and November 2008, the PAD, Thailand's avowed supporters of "democracy," issued frequent calls for the army to intervene and overthrow the elected government. This effort might cause one to question whether democratic principles have in fact been deeply instilled in the well-educated, prosperous Thai urban elite. Such values might have been expected from a country that at first glance appears to be a prime example of modernization theory in practice. Indeed, increasing prosperity arising from industrialization and export-led growth might have been expected to create an urbanized middle class devoted to democratization. But such a neat equation may be too deterministic and too closely aligned to Western historical developments as seen through the eyes of Max Weber.¹⁶

As Diamond argues, economic growth alone does not produce a deeply consolidated democracy. The legal and political institutions that control corruption, punish abuse of office, and "ensure a level economic and political playing field" must march in tandem with improvements in governance. Otherwise, citizens' faith in this form of government will be compromised, producing what Diamond calls the "democratic recession."¹⁷

RESOURCES AND RENT-SEEKING

Education and Economics

"Resources" in this discussion identifies all forms of human and natural endowments available to a political society in deciding what its norms of

from 49% to 61%, while the share of the poorest 20% fell from 5% to 3% over the same period. Over the same period, the share of the middle 60% of the population was 36% of the national wealth.

15. Including constitutions (18 of them since 1932), multi-party elections, an "independent judiciary," a relatively free press, and a bicameral parliament elected by universal suffrage.

16. Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (1904–05; rev. 1920), translation and new introduction by Stephen Kalberg (Chicago: Fitzroy Dearborn Publishers, 2001); H. Nordholt and Gerry Van Klinken, eds., *Renegotiating Boundaries: Local Politics in Post-Suharto Indonesia* (Leiden: KITLV Press, 2007), examine the disjunction between economic growth and democracy in Suharto's Indonesia.

17. Diamond, "The Democratic Rollback."

governance will be. The positive correlation between a society's level of general educational attainment and its economic development leads to the assumption that Thailand must be a more robust political society, more conducive to sustaining democratic forms of governance, than is Myanmar. The latter's educational system since 1962 has been desiccated in proportion to the ideologies of successive military governments, which see nodes of independent thought as potential sources of challenge to state authority. Myanmar's parlous economic condition has never recovered from the dual assault on its educational institutions and its middle class launched by the late dictator, General Ne Win. Its economy remains shaky despite windfall revenues in recent years from oil and gas sales to Thailand, China, Malaysia, and India that are reputed to have yielded a trade surplus in the 2007–08 financial year on the order of \$3 billion.¹⁸

Myanmar. Myanmar exemplifies the adverse correlation between revenue from natural resource sales and non-democratic political forms, often referred to as the “resource curse.” Humphreys, Sachs, and Stiglitz note that cross-national studies have shown that “access to oil wealth can allow leaders to successfully repress or co-opt their oppositions, and thus avoid having to relinquish power through electoral competition.”¹⁹ A broad endowment of natural resources, especially oil and gas wealth, may impede the development of a country's human resources, if institutional and policy underpinnings to ensure equitable distribution of these natural resources throughout the society are absent. Nicholas Shaxson has noted the prevalence of vertically integrated patronage politics accompanying a large endowment of natural resources, along with correlated conflict, social inequality, high levels of corruption, and low levels of democratic governance, in countries afflicted by the resource curse.²⁰ Humphreys,

18. The offshore Shwe, Yetagun, and Yadana gas fields developed by Myanmar Oil and Gas Enterprise in partnership with South Korean Daewoo Corporation; Malaysia's Petronas; Japan's Nippon Oil Exploration; China's CNOOC, Ltd.; Thailand's PTTEP; India's Oil and Natural Gas Corporation; and the Gas Authority of India, Ltd.; plus French, Australian, and U.S. companies are reported to have reserves between 8.6 and 10 trillion cubic feet. Some 1.16 billion cubic feet per day of gas from the Yetagun and Yadana fields are exported to Thailand, earning Myanmar in 2007 \$2.7 billion. See *Irrawaddy Magazine*, April 14, 2008; “Pipeline Politics: India and Myanmar,” *Power and Interest News Report* (Chicago), October 8, 2007, <<http://www.pinr.com>>.

19. Macartan Humphreys, Jeffrey Sachs, and Joseph Stiglitz, eds., *Escaping the Resource Curse* (New York: Columbia University Press, 2007), p. 12.

20. Nicholas Shaxson, “Oil, Corruption, and the Resource Curse,” *International Affairs* 83:6 (November 2007), pp. 1123–40.

Sachs, and Stiglitz identify three features of predatory, resource-dependent states like Myanmar that reflect on their tardy and uneven embrace of democratic forms of governance: the lack of pressure to exchange political power for the right to tax, because revenue to run the state is readily derived from other sources; the capacity to invest in coercive technologies that can be used to suppress challenges to rulers' political power; and the diminished opportunities for citizens to experience the transformative effects elsewhere of industrialization associated with movements toward democratization.²¹

Not only is Myanmar's sociopolitical development constrained by the operation of these convergent issues, but it is also clear that economic development alone, as measured by trade surpluses, is inadequate to initiate a sustained embrace of democratic forms of governance. Despite Myanmar's revenues from its oil and gas sales, its "democratic deficit"²² is only too apparent, with low levels of citizen participation in public life, poor representation of their interests, and widespread abuse of power by the autocratic state.

Although it has been increasing its national revenues from the industrial sector, Myanmar remains an agrarian state. Around 70% of its population of 55.6 million lives in rural areas and about 64% of the labor force works in the agricultural sector. Prior to the increase in national revenue derived from the gas and oil sales, the agricultural sector accounted for around 50% of total foreign-export earnings.²³ However, the Asian Development Bank (ADB) in 2008 revised this downward to 43%, in addition to industry, now providing around 20%, and gas and oil some 37%.²⁴ Despite achieving modest rates of growth in recent years based on gas and oil revenues, and some market-oriented reforms in the agriculture and finance sectors,²⁵ poverty remains the overwhelming life experience for most people, as they seek to cope with double-digit inflation. Economic hardship, with sudden increases in the price of gasoline and bus fares, was the spark that lit the September 2007 anti-government demonstrations. Economic issues caused by sudden demonetization set off the civil unrest that led to the pro-democracy uprising

21. Humphreys, Sachs, and Stiglitz, eds., *Escaping the Resource Curse*, p. 13.

22. Thomas Carothers, "The End of the Transition Paradigm," *Journal of Democracy* 13:1 (January 2002), pp. 5–21, suggests the aid community integrate programs of socioeconomic development with democracy-building.

23. By comparison, in 1993, the Thai agricultural sector accounted for 56% of the labor force, but contributed only 12% of gross domestic product (GDP). See Pasuk et al., *Challenging Social Exclusion*, p. 12.

24. ADB, *Asian Development Outlook 2008* (Manila: ADB, 2008), p. 213.

25. Myanmar officially repudiated its socialist-style economy in 1988.

in 1988. Economic vulnerability and political instability go hand in hand in Myanmar.

Despite the expansion of Myanmar's network of universities to encompass 155 tertiary institutions and some attempts to improve the human resources available to support them, the quality of education in Myanmar is still lacking. To assist in addressing this issue, Japan, Germany, Malaysia, Thailand, China, India, and South Korea in recent years have made some scholarships available to upgrade teacher qualifications and encourage young Burmese to undertake graduate studies in their respective countries. One positive development has been the expansion of the Internet and its application to educational programs, despite ongoing political censorship. Internet technology was used to devastating effect during the so-called Saffron Revolution in September 2007, when images of the violent suppression of the demonstrations were uploaded via mobile phone cameras to the outside world.

The state's response was swift, as the headlines in *The Irrawaddy*, above, show. Activist networks continue to defy the authorities, accessing proxy sites in order to seek information from the international community. Without an enabling political environment in which human "capabilities"²⁶ can be exerted to their fullest extent, the education and skills that students receive cannot be applied to the greatest capacity, a factor limiting Myanmar's economic development.²⁷

Despite the country's high adult literacy rate ("adult" refers to those over 15 years of age), estimated by the World Bank in 2006,²⁸ the ADB in 2008, and the Myanmar Ministry of Education in 2002,²⁹ respectively, to be around 92%, somewhere between 26.6% and 50% of the rural population lives below the U.N.-designated poverty line of US\$1 per day.³⁰ The World Health Organization (WHO) in 2005 estimated that 30% of children under five years of age were malnourished (compared to the Australian Agency for

26. As explicated by Amartya Sen, *Development as Freedom* (New York: Knopf, 1999).

27. Helen James, *Governance and Civil Society in Myanmar: Education, Health, and Environment* (New York: RoutledgeCurzon, 2005), analyzes the development of the education sector.

28. World Bank, *Labor Migration in the Greater Mekong Sub-region* (Bangkok: Synthesis Report Phase I, World Bank, 2006).

29. Myanmar Ministry of Education, *Enhancing Accessibility to Education in Myanmar* (Yangon: Ministry of Education, 2002).

30. World Bank, *World Development Report 2000/2001: Attacking Poverty* (New York: Oxford University Press, 2002).

International Development's 2002 estimate of 46%).³¹ At the same time, the WHO estimated the per capita gross national income (purchasing power parity) to be less than \$875. Despite the income from oil and gas revenues, therefore, the average annual income for the ordinary person appears to be declining; in 2001, the UNDP estimated it had reached \$1,000.³² As Burmese workers return from Singapore, Malaysia, and Thailand as a result of the global financial crisis, unemployment may exacerbate this situation.³³ The apparently high literacy rate is at odds with a high basic education attrition rate: somewhere around 50% of school-age children drop out between middle school and high school, particularly in rural areas, as a result of poverty and the need to assist their families in agricultural work.³⁴

For 40 years beginning in 1948, when government control outside the major towns was precarious, a significant portion of Myanmar's resources was consumed in a civil war. This situation started to change in 1989 when cease-fires were negotiated with 16 of the insurgent groups. Although the country's foreign currency reserves have improved considerably since 2001 (when they were estimated at \$300 million)³⁵ and gross national income has increased as a result of gas and oil sales, only a very small percentage of revenue finds its way into social-sector improvement policies. In 2003, the national health budget was set at 2.8% of GDP; nevertheless, this was an increase from 0.8% in 2001.³⁶ The health budget has been slowly increasing, from eight billion kyats (\$8 million) in 2001 to 23.4 billion kyats (\$23.4 million) in 2007.³⁷

Bearing in mind that this represents only 17% of total expenditure on health, and that the private sector accounts for around 73%, the government health budget suffers severe constraints. The Myanmar Ministry of Health estimated that per capita expenditure from all sources—private, governmental,

31. Australian Agency for International Development (AusAID), *Budget Papers 2002*, Canberra, at <<http://www.ausaid.gov.au>>, accessed June 15, 2002.

32. UNDP, *Human Development Report 2001: Making New Technologies Work for Human Development* (New York: Oxford University Press, 2001), p. 143.

33. *Irrawaddy Magazine*, November 21, 2008. However, any expectations of the regime's demise on economic grounds are probably premature.

34. See James, *Governance and Civil Society in Myanmar*. Data are drawn from the Myanmar Ministry of Education, *Enhancing Accessibility*.

35. Sean Turrell estimates Myanmar's foreign exchange reserves at \$4 billion. See *Irrawaddy Magazine*, August 22, 2008.

36. This can be compared with 8.2% of GDP for defense (World Bank, *World Development Report 2000/2001*).

37. Myanmar Ministry of Health, *Health in Myanmar* (Yangon: Ministry of Health, 2007).

FIGURE 1. Maternal and Child Mortality Statistics for Myanmar

<i>Mortality</i>	
<i>Life Expectancy at Birth (2003 Data)</i>	<i>Males, 56 years; Females, 63 years</i>
Under five years per 1,000 live births (2003 data)	106
Neonatal deaths per 1,000 live births (2000 data)	40
Maternal deaths per 100,000 live births (2000 data)	360

SOURCE: WHO, *World Health Statistics 2005* (Geneva: WHO, 2005).

and international—was less than 500 kyats in 2007. What does this equate to? If computed at the official rate of six kyats to the dollar, we have an annual expenditure of around \$83 per person. However, if computed at the market rate of 1,020 kyats per dollar, the per capita expenditure from all sources is less than \$0.50 per year. In a country suffering from such virulent diseases as HIV/AIDS, malaria, and tuberculosis, and where leprosy is still found in 27 villages, it is easy to envisage a health sector under severe stress. In 2000, the WHO rated Myanmar 191st out of 192 countries in terms of the quality of health care provided to its population. If health care, as Ahlburg and Flint have argued, is a robust measure of development and the effectiveness of state governance, these figures reveal how ineffective the policies are that retard Myanmar's socioeconomic and political development.³⁸ The WHO in 2005 recorded these statistics for Myanmar's population (see Figures 1 and 2).

Thailand. At first glance, Thailand, a country *without* significant naturally occurring oil and gas reserves, appears not to conform to the theoretical construct of the resource curse. Over the past several decades, it developed sufficiently viable forms of democratic governance to generate waves of citizen protest when those norms were deviated from during the 2006 military coup. It is irrefutable that Thailand has developed a sizable well-educated, prosperous middle class and significant civil society. By contrast with Myanmar, Thailand has invested in its education sector and promoted industrialization, although,

38. Dennis Ahlburg and D. Flint, "Public Health Conditions and Policies in the Asia Pacific Region," *Journal of Asian Pacific Economic Literature* 15:2 (May 2001), pp. 1–17. In January 2000, I visited some of the 17 feeding centers for children at risk established by the Myanmar Maternal and Child Welfare Association.

FIGURE 2. Morbidity Statistics for Myanmar

<i>Morbidity</i>	
Adult rate living with HIV (2003 data)	1.2%
Adults (15–49 years) and children living with HIV (2003 data)	330,000
No. of polio cases (2004 data)	0
TB—new smear cases per 100,000 (2003 data)	76
Low birth weight newborns (2000–02 data)	15%
Children under five years stunted for age (2003 data)	32%
Children under five years underweight for age (2003 data)	32%

SOURCE: Ibid. to Figure 1.

as Pasuk et al. point out,³⁹ this is capital-intensive with a high degree of foreign direct investment. Successive Thai governments sought to keep labor costs low and obstruct the growth of the trade union movement. As a consequence, Pasuk et al. argue, rural labor has not been absorbed into wage employment in the industrial sector as happened in South Korea in 1960–80. During economic downturns, the seasonal migratory Thai labor force returns to its rural origins. The rural masses thus remain fairly traditional, closely aligned to the former military and business parties, rather than to the Bangkok-based civil society networks whose urbanized elite are vociferous in promoting democratic forms of governance. However, as Suchit Bunbongkarn cautions, “Even the urban middle class, which supported the pro-democracy groups during the May 1992 event [author: and the PAD in 2006–08], does not agree with radical political reform.”⁴⁰

It was the rural masses in Thailand who delivered three election victories (2001, 2005, and 2006) to Thaksin Shinawatra’s now defunct TRT and its successor, the PPP (now also disbanded by order of the Constitutional Court) in 2007. Thus, the election victories are not necessarily an indication

39. Pasuk, Sungsidh, and Nualnoi, *Challenging Social Exclusion*, p. 12.

40. Suchit Bunbongkarn, “The Military and Democracy in Thailand,” in *The Military and Democracy in Asia and the Pacific*, eds. R. May and V. Selochan (Bathurst, New South Wales, Australia: Crawford Publishing, Ltd., 1998), p. 58. In May 1992, pro-democracy groups led by former General (and now PAD democracy activist) Chamlong Srimuang led demonstrations in Bangkok against the assumption of power by military strongman General Suchinda Krapayoon. Suchinda, in a humiliating audience with King Bhumibhol Adulyadej, was forced to step down in the wake of military-led violence against citizen and student demonstrators.

of deeply apprehended and distilled democratic principles arising from the transformation of Thai civil society. Rather, they may be an indication of a pragmatic rural electorate making “rational choices” in casting their votes for policies and parties that most immediately benefit their own interests.⁴¹ Prior to the 2001 election that brought Thaksin to office, as McCargo and Pathmanand state:

There was public unease about the symbiotic relationship between business people (including the rising provincial business class) and politicians, which often ensured that constituency MPs were little more than the stooges of local and national business elites. Political parties were much-criticized as factionalized alliances of interest groups, divorced from the concerns of the electorate. Practices such as candidate-buying (encouraging electable politicians to switch parties by using financial inducements), vote-buying, and the corruption of government officials made the electoral process wide open to manipulation and abuse.⁴²

Their views concur with those of Pasuk and Sungsidh, who found that people with little education and low incomes such as slum dwellers, manual workers, and farmers regarded politicians as more corrupt than bureaucrats. Conversely, those with higher education and income levels, such as people in the professions or media, non-governmental organization (NGO) workers, and academics, considered bureaucrats more corrupt than politicians.⁴³ Although corruption in Thailand, as Pasuk and Sungsidh have shown, is ingrained in the cultural practices and patron-client networks, the scale of bureaucratic and political corruption appears to have increased in line with the country’s economic development. Annual reports of the Counter Corruption Commission (the predecessor of the NCCC), which investigated only cases brought to its attention by individuals or government departments, showed an increase in misused funds arising from bureaucratic corruption from 317.9 million baht (\$13 million) in 1986 to 1.26 billion baht (\$50 million) in 1992. In these years, Thailand’s export-led economy was rapidly expanding.

41. Thaksin’s populist policies, subsidized health care, and micro-credit schemes contributed to his support base among the rural masses.

42. Duncan McCargo and Ukrist Pathmanand, *The Thaksinization of Thailand* (Copenhagen: NIAS Press, 2005), p. 11.

43. Pasuk and Sungsidh, *Corruption and Democracy in Thailand*, p. 169.

By comparison, the reports of the Office of the Auditor-General, which checks government department accounts, showed an increase in corruption funds between 1987 and 1990 from 108.7 million baht (\$4.3 million) to 175.5 million baht (\$7 million).⁴⁴ The increasing national wealth of Thailand, because it is so unevenly distributed, has bolstered opportunities for corruption in both the bureaucratic and political spheres. To combat this situation, Pasuk and Sungsidh suggest that the living standards of most people need to be raised and income inequality reduced [and] “then corruption among certain groups of people can be expected to decline.”⁴⁵ The analysts look to improving the education system, raising people’s consciousness of the responsibilities inhering to holders of public office, and improving enforcement mechanisms to make the cost of corruption much higher. Thailand demonstrates Thomas Carothers’s “feckless pluralism,” where democracy is perceived as shallow and political elites from all parties are seen as self-interested and ineffective, “unable to make headway on most” major problems.⁴⁶

The Resilience of Institutions

The above three conditions—improving the education system, raising people’s consciousness about the responsibilities inhering to holders of public office, and improving enforcement mechanisms to boost the cost of corruption—coalesced in the PAD’s opposition to Thaksin and the elected government (which the PAD considered to be his surrogates).⁴⁷ The better educated, more prosperous urbanized Bangkok elite who supported the PAD called a halt to the overt exploitation of office that enabled Thaksin to amass 76.5 billion baht (\$3.6 billion) in just over three years. Exercising the responsibilities of public office, Thai institutions—the NCCC and the Supreme Court—sentenced Thaksin to a jail term of two years. Other prosecutions delivered more-severe sentences. On November 14, 2008, the NCCC found former Interior Minister Sombat Uthairang guilty of concealing assets

44. Corruption investigated by the NCCC refers to funds derived from bribes offered to public officials; corruption investigated by the Office of the Auditor-General refers to funds derived from the national budget allocations that have been misappropriated by officials.

45. Pasuk and Sungsidh, *Corruption and Democracy in Thailand*, p. 168.

46. Thomas Carothers, “The End of the Transition Paradigm,” pp. 10–11.

47. Chu Yun-han, “Third-Wave Democratization in East Asia: Challenges and Prospect,” *Asien 100* (July 2006), pp. 11–17, <http://www.asienkunde.de/articles/A100_011_017.pdf>, argues that significant numbers in Asia’s emerging democracies harbor an attachment to authoritarianism.

totaling over 111.5 million baht (\$37 million).⁴⁸ These are positive signs for Thai democracy; in an earlier era, public institutions were considerably more cautious in prosecuting prime ministers or senior government ministers and bureaucrats for corruption.

Increasing awareness of the concepts of “public interest” and “public office” have made Thailand’s urbanized middle class less tolerant of bribery, extortion, and “gift-giving” and more determined to strengthen the machinery to eliminate all types of corruption. Pasuk and Sungsidh point out that not only the middle class but also many “lower-echelon groups are growing increasingly aware that they are the ones who bear the cost of such systems of corruption. These two lobbies argue that the benefits in terms of economic growth are far outweighed by the social costs in terms of wasted resources, distorted distribution, environmental damage, and social inequity.”⁴⁹

The resilience of Thai institutions was severely tested in the 2006–09 controversy. As Thailand’s media in November 2008 broadcast news of Thaksin’s intention to return to politics, former Premier (1992–95, 1997–2000) and adviser to the Democrat Party Chuan Leekpai asserted that Thaksin’s problem was that he could no longer control the judiciary and other government institutions. Although Thaksin, as a Thai citizen, could return to contest the legal cases against him in the courts as any other citizen could, he could no longer “interfere with the work of the courts or public prosecutors,” Chuan said.⁵⁰ It is therefore a little disingenuous of Thitinan Pongsudhirak to claim that these major institutions for dealing with political and bureaucratic corruption in Thailand are “being steered mostly by figures who supported or were associated with the 2006 coup.” Their political views would seem to be irrelevant as long as they are doing their duty in upholding the anti-corruption laws. Thitinan acknowledges as much in his statement that “their mission is to stop graft and abuses of power.”⁵¹

As a close partner in the Cold War-era containment of communism, Thailand was the beneficiary of considerable educational assistance from Western countries. In the past 30 years, this investment appears to have borne fruit, with the embedding of a class of Western-educated Thai intellectuals who

48. *Bangkok Nation*, November 14, 2008.

49. Pasuk and Sungsidh, *Corruption and Democracy in Thailand*, p. 174.

50. *The Nation* (Bangkok), November 19, 2008.

51. Thitinan Pongsudhirak, “Thailand since the Coup,” *Journal of Democracy* 19:4 (October 2008), pp. 140–53.

have found their way into the nation's leading administrative and educational institutions. Since 1973 they have carried the torch of political development, ousting a series of military dictators and fostering continued evolution toward a more open society and participatory politics. The "demi-democracy," as Likhit Dhiravegin styled Thai politics in 1992,⁵² may not yet have become a full participatory democracy. But the prolonged confrontation between the PPP and the PAD for control of the nation's policy-making apparatus would not have been possible without the educational awakening and broadening of the political consciousness of the electorate over the past few decades. Pasuk and Sungsidh give a snapshot of comparative educational access at the time of the election of the Chatichai Choonhavan government (in office 1988–91):

In 1988, professional and business households accounted for 13 per cent of the population and their children accounted for 55 per cent of all enrolments both in upper secondary and university level. Labouring households represented 20 per cent of all population, but their children accounted for 35 per cent of total enrolments at upper secondary and 24 per cent at university level. But for farming households, which represented 67 per cent of the total population, their children accounted for only 20 per cent and 11 per cent of all enrolments at upper secondary and university level.⁵³

It is this type of disproportionate representation in the nation's educational institutions and economic life that Thai administrations need to address, if they are to make inroads into the sources of corruption and attempt to come to grips with the considerable social divisions presently wracking their society. A measure of how far consciousness of the importance of participation in political life has permeated all sectors of Thai society may be judged from the public outrage at the PAD's self-serving suggestion that 70% of the representatives to the National Assembly should be appointed (although it was not stated, the implication was that it would be by the king) and only 30% elected. This nexus between the overall level of educational attainment, economic development, and democratic, pluralistic party politics was captured by Seymour

52. Likhit Dhiravegin, *Demi-Democracy: The Evolution of the Thai Political System* (Singapore: Times Academic Press, 1992).

53. Pasuk, Sungsidh, and Nualnoi, *Challenging Social Exclusion*, p. 17. Pasuk's statistics are from the World Bank, *Thailand Poverty and Income Distribution Trends*, Country Department I, East Asia and Pacific Region, Report no. 11982-TH, Washington, D.C., June 2, 1993, p. 46.

Lipset: "The more economically developed and literate a country is, the more likely it is to have a competitive party system."⁵⁴

Education is the vial through which the purported link between democracy and economic development is distilled, but there is not necessarily a direct linear development. Still, Carothers asserts that "the wealthier a country is, the better will be its chances of consolidating a democratic transition."⁵⁵ Thai academic Somchai Phatharathananunth argues that more economic development does not necessarily produce a middle class that naturally (s)elects non-corrupt politicians or is devoted to pluralistic multi-party politics. Economic development and correlated educational development in some countries have produced a corporate class closely aligned with one-party politics. Somchai asserts:

Even though there is a positive correlation between development and democracy, other factors such as social and political structure also influence the course of democratic development. As a result, social change does not occur in a unilinear manner. Development can also generate new forms of patron-client relations and encourage corruption. Moreover, it is the very same middle classes who have emerged from the modernization process that engender and often benefit from corruption. . . . For example, more modernization in the provinces, both in villages and towns, generated higher levels of corruption. It must be noted that the middle classes in such areas . . . do not demonstrate a voting behaviour different from that of farmers; they also vote for corrupt politicians.⁵⁶

Somchai's views concur with those of Pasuk and Sungsidh that political contests in Thailand are played out for control of the corruption revenue, rather than for any major ideological differences.⁵⁷ Politicians spend vast sums, anticipating that they will recoup the investment through the patronage and business networks that put them in office. Thitinan's observation that the 2007 Constitution strengthens the judiciary at the expense of the executive and legislative

54. Seymour M. Lipset, "Political Sociology," in Neil J. Smelser, *Sociology: An Introduction*, ed. Neil J. Smelser (New York: John Wiley & Sons, 1967), p. 449.

55. Thomas Carothers, "The Sequencing Fallacy," *Journal of Democracy* 18:1 (January 2007), p. 24.

56. Somchai Phatharathananunth, "Civil Society and Democratization in Thailand: A Critique of Elite Democracy," in *Reforming Thai Politics*, ed. Duncan McCargo (Copenhagen: NIAS, 2002), pp. 125–42.

57. Pasuk and Sungsidh, *Corruption and Democracy in Thailand*, p. 19.

branches is apposite;⁵⁸ the PAD may have morphed into a pro-establishment/pro-monarchist movement, but there is no denying the determination of the anti-Thaksin forces to curb corruption and malfeasance in public office.

Thai institutions that address the problem of endemic corruption are considerably more robust than those in neighboring Myanmar, whose judges involved in the 2008–09 trials of democracy activists have been accused of condoning and participating in human rights abuses. Not that corruption is not addressed from time to time in Myanmar, but the processes by which it is addressed are much less transparent, as could be expected in a military dictatorship. Thus, the government controlled media will suddenly announce the “retirement” of senior military figures or bureaucrats, with corruption sometimes overtly identified as the reason for their dismissal. Still, one can never be sure that this was the real reason, or whether corruption was a useful shorthand in removing figures whom it is no longer convenient to maintain close to the seat of power.⁵⁹

Most frequently in Myanmar, prosecutions are undertaken not to punish corruption but for challenging the state power apparatus. Lack of transparency goes in tandem with less than robust sociopolitical institutions charged with tackling corruption, as well as a less than independent judiciary to support them. Sections of the middle class, intellectuals, and students reject this state of affairs but are silenced, or unable to take remedial action to move their country toward more-participatory politics. In interviews with 120 people on whether they would participate in an anti-government activist network, Kyaw Yin Hlaing records that all declined: they preferred to protect their personal safety.⁶⁰

PROSPECTS FOR REFORM

Resources and Reform

What are the prospects for sociopolitical reform in Myanmar and Thailand? In both countries, the opposing sides appear reluctant to negotiate a settlement

58. Thitinan, “Thailand since the Coup,” p. 144.

59. One version of the removal of the former Prime Minister Khin Nyunt states that Senior General Than Shwe ordered Khin Nyunt to punish his officers at Lashio for corruption; however, Khin Nyunt responded that he could only do that if Than Shwe first punished *his* corrupt followers. Khin Nyunt was charged with treason and only just escaped a death penalty.

60. Kyaw Yin Hlaing, “The State of the Pro-Democracy Movement in Authoritarian Myanmar/Burma,” in *Myanmar/Burma: Challenges and Perspectives*, ed. Xiaolin Guo (Stockholm: Institute for Security and Development Policy, 2008), p. 84.

of their differences. Both countries are divided societies facing the prospect of periods of sustained civil unrest. In Thailand, in April 2009, Thaksin's Red Shirt supporters forced the cancellation of the ASEAN (Association of Southeast Asian Nations) summit amid their efforts to oust the unelected government of Abhisit Vejjajiva. These actions paralleled those of their Yellow Shirt opponents in 2008. The attempted assassination of PAD leader Sondhi Limthongkul on April 17, 2009, heralded further civil unrest, such as transpired on March 13, 2010, following the February 26 judgment of the Supreme Court confirming the confiscation of around 50% of Thaksin's fortune.

International sanctions against Myanmar since 1988 assume that economics holds the key to resolving the impasse that has allowed the military government to stay in office despite losing the 1990 elections.⁶¹ Those who impose and support sanctions assume that barriers to trade and investment will spur an economic collapse, following which a fully fledged democratic government will emerge. They assume that sanctions cause economic hardship for the majority of the population, which will result in a spontaneous and successful uprising. The leaders are insulated from this hardship through their control of the corruption revenue. Since 1988, much of the international community outside of ASEAN, China, India, Japan, and South Korea have adopted sanctions as their primary means to prompt sociopolitical change in Myanmar.

Such an approach seems to run counter to the International Monetary Fund's (IMF) own research that more-open trade policies help ameliorate the sociopolitical effects of the resource curse⁶² in resource abundant countries. This one-dimensional sanctions policy inadequately takes account of a range of issues applying to Myanmar that enable the government to stay in power. Myanmar's geopolitical relationships, its comparative de-linking from the global international trade regime—precisely because of the sanctions—its firm support in the Security Council by China and Russia, and its resource-rich

61. Won by the National League for Democracy (NLD) with 59.87% of valid votes cast, the purpose of these elections remains disputed. Aung San Suu Kyi, in her *Freedom from Fear and Other Writings* (New York: Penguin, 1996), ch. 17, and in "Interview with Dominic Faulder," *Asiaweek*, July 1989, acknowledges they were for a Constituent Assembly. Derek Tonkin states: "It would be correct to say that the NLD was prevented from forming a government." See H. James, *Security and Sustainable Development in Myanmar* (New York: RoutledgeCurzon, 2006), pp. 203–04.

62. Rabah Arezki and Frederick van der Ploeg, "Can the Natural Resource Curse Be Turned into a Blessing? The Role of Trade Policies and Institutions," IMF Working Paper, WP/07/55 (2007), p. 21.

agricultural subsistence economy enable it to be relatively insulated from the intended consequences of the sanctions.⁶³

Until the global financial crisis of 2008–09, Myanmar enjoyed robust trading relationships with its neighbors, China, Thailand, India, Singapore, and Malaysia.⁶⁴ As long as these trading relationships are sustained, international sanctions applied to Myanmar are likely to remain ineffective in bringing about political reform. Moreover, they have proven to be a useful tool for the government in seeking to deflect attention from its own policy shortcomings. The sanctions cause anger, in certain quarters, toward the NLD secretary-general, opposition leader Aung San Suu Kyi. Kyaw Yin Hlaing goes so far as to assert that if Daw Suu Kyi in 2003, as part of confidence-building discussions between the junta and the NLD, had agreed to the lifting of sanctions, the violent Depayin incident “might not have taken place.”⁶⁵ However, Kyaw is overly optimistic when he states: “If Western sanctions persist for a long time, the government might go bankrupt, especially when the country runs out of its natural resources.”⁶⁶ The trillions of cubic feet of gas in the A1 and C1 blocks off the Rakhine Coast and the M3–M9 blocks off the Gulf of Martaban being sold to China and Thailand on the basis of 30-year contracts leave little hope that Kyaw’s scenario might become a reality in the near future. Although Myanmar will undoubtedly experience adverse trading conditions for its agricultural exports owing to the current global financial crisis, this situation is unlikely to bring about the political implosion sought by Burmese expatriate groups.

If sanctions are ineffective in achieving political reform and economic collapse is unlikely, is revolution a possibility? The demonstrations in September 2007 that stemmed from widespread economic hardship were quickly and violently suppressed, as on previous occasions. Given the asymmetric power relationships between the military (over 500,000 strong) and the masses, a successful uprising would seem improbable. Some activists look to

63. See James, *Security and Sustainable Development*, ch. 5, for a detailed account of the sanctions policy.

64. ADB, *Asian Development Outlook 2008*.

65. Kyaw, “The State of the Pro-Democracy Movement in Authoritarian Myanmar/Burma,” p. 101, suggests that divisions in the opposition groups enable the government to avoid entering into meaningful negotiations. In 2003, at Depayin in upper Myanmar, Daw Suu Kyi’s cavalcade was attacked by government supporters belonging to the Union Solidarity and Development Association; numbers of people were killed.

66. *Ibid.*, p. 80.

a split in the military, citing the cases of a few middle level officers who deserted and went to Thailand in 2007 rather than shoot at the monks. But a few middle level officers do not constitute a split in the 500,000-strong military, which holds dear the history of the Burmese independence army and looks on the military as the one robust, enduring national institution.⁶⁷

In a speech on March 27, 2009, Armed Forces Day, ironically reminiscent of what Carothers calls the “Sequencing Fallacy,”⁶⁸ Myanmar’s dictator, Senior General Than Shwe, stated: “Democracy in Myanmar today is at a fledgling stage and still requires patient care and attention. . . . Understanding the process of gradual maturity is crucial.”⁶⁹ Despite the use of “gradual,” the senior general clearly is working within the autocracy paradigm and is not aligned with Carothers’s preferred path of “gradualism” wherein state institutional capacity is strengthened before implementation of the full electoral process. Carothers’s call for a non-democratic country’s “underlying economic, social, and political conditions, structures, and historical legacies”⁷⁰ to be taken into account by the democracy-promotion community highlights the inherent difficulties for a rentier state such as Myanmar to initiate a democratic transition.⁷¹

If political reform eventually comes to Myanmar, it will not be a result of economics, sanctions, or revolution (or invasion, an unlikely scenario given the geopolitical realities). It will come from within, as in South Africa, from the processes now set in train, however incomplete and imperfect they may be.⁷² Widespread international criticism of both the new Constitution completed in 2007 and the national referendum seeking approval of the Constitution in May 2008 hailed the unsatisfactory nature of both. The Constitution gives the military continued control of Myanmar’s political life through appointment to the National Assembly. The referendum was held in spite of the devastation of Cyclone Nargis. Others consider that these are the only processes open to the citizens of Myanmar, so why not try them, to see if a

67. Personal communication with senior military officers, Yangon, 2004. See also Mary Callahan, *Making Enemies: War and State Building in Burma* (Ithaca, N. Y.: Cornell University Press, 2003).

68. Carothers, “The Sequencing Fallacy,” pp. 12–13.

69. Delivered in Naypyidaw on March 27, 2009.

70. Carothers, “The Sequencing Fallacy,” p. 23.

71. An exception to the “resource curse,” Norway proves that a robust democracy and natural resource wealth are not incompatible.

72. Hopeful signs of a change in U.S. policy toward Myanmar under the Obama administration may assist the “gradual” approach to democratic transition.

better form of governance might eventuate after elections now set for Fall 2010. Such processes are, after all, the processes by which Thailand has evolved to the point where a robust urban-elite-based civil society is able to challenge an incumbent government over the quality of its governance.

In comparing the two countries, we should after all apply the same rules to both. This would mean supporting the development of Myanmar's socioeconomic fabric in the same way the international community did in Thailand beginning in 1960. For Myanmar, there could be considerable international assistance for educational development and humanitarian assistance for vulnerable groups, continuation of the support provided in the wake of Cyclone Nargis, promotion of open trade policies, and lifting of the sanctions. A vigorous middle class might then develop, through which a more active civil society might eventuate.⁷³ At present, judged on the basis of salaries, few of Myanmar's educated sector would qualify as middle class and only a small proportion of its business-entrepreneurial groups would fall into this bracket. Seasoned Burma/Myanmar watchers, however, do not expect any real change to arise from the present processes. If politics is the art of the possible, until recently no side in the Myanmar political equation has been prepared to compromise: not the NLD, nor the government, nor the international community. In the absence of an effective domestic opposition, the government is likely to steamroll ahead with plans for military-controlled elections in 2010, without any near-term possibility of multi-party politics emerging.

Does Civil Society Have a Role in Reform Politics?

As both Thailand and Myanmar confront how to come to terms with the schisms in their societies, it seems that one major difference is the respective level of development of their civil societies. Graeme Gill is surely correct⁷⁴ in drawing attention to the crucial role a vibrant civil society plays not only in the transition process but also in sustaining and embedding democratic

73. I am not suggesting that the presence of a vigorous middle class is a *prerequisite* to democratic change, but that the influence, resources, and leadership potential of such a group can assist in brokering and sustaining the change. Nepal is a case in point. See Subbhagya Shah, *Civil Society in Uncivil Places: Soft State and Regime Change in Nepal* (Honolulu: East-West Center, Policy Studies, no. 48, 2008).

74. Graeme Gill, *The Dynamics of Democratization: Elites, Civil Society, and the Transition Process* (London: Macmillan Press, Ltd., 2000).

principles once the transition has occurred. In response to the lobbying of activist civil society groups, Thailand established a Human Rights Commission (HRC), a development that seems a long way off in Myanmar, although it is debatable how robust the HRC is, in view of the continuing violence in Thailand. In Myanmar, although its civil society sector is growing (and was never completely eliminated even during Ne Win's regime),⁷⁵ most of the hundreds of NGOs now operating are not political advocacy networks but grassroots organizations devoted to caring for the needy. As long as they do not get involved in political movements, the government tolerates them. However, politically active civil society groups such as the 88 Generation Students are prosecuted. The problem in bringing about political reform in Myanmar does not arise from any lack of grassroots organizations, nor the weakness of the economy and the education system. The problem lies in the lack of a coherent, unified opposition sufficiently strong to offer alternative leadership. Clearly, people in Myanmar want change and reform just as ardently as do the Thais. The International Crisis Group reported that people in Myanmar have been extremely hostile to the government since the September 2007 violent suppression of demonstrators, and that government action to disrupt the activist networks has been more extensive than previously.⁷⁶ The licit space for political protest in Myanmar is now negligible. At present, there seems to be little chance of Myanmar developing the resilient public institutions that might help it escape the resource curse.

Thai institutions are more robust in being able to sustain the movement toward participatory politics. Despite some missteps and the uneven dispersal of income, Thailand over the past 40 years has benefited from the emergence of a group of intellectuals, social and political scientists, and human rights activists who constantly urge their country toward more open politics and better forms of governance. The licit space for political protest in Thailand has widened over the past 15 years, although an observer might wonder if this tolerance is not unevenly applied. There is greater tolerance of protests by such groups as the PAD that support the establishment, and less tolerance for those such as the Forum of the Poor, which do not. Aware of the dangers

75. Kyaw Yin Hlaing, "Associational Life in Myanmar: Past and Present," in *Myanmar State, Society, and Ethnicity*, eds. N. Ganesan and Kyaw Yin Hlaing (Hiroshima: Hiroshima Peace Institute, 2007).

76. International Crisis Group, *Burma/Myanmar: After the Crackdown*, Asia Report, no. 144 (2008), pp. 3–5.

for Thailand if its divided society is not healed, Naruemon Thabchumpon calls for the rural masses to be as empowered as the urban elite. "To promote genuine participatory democracy," she writes,

Thai NGOs have proposed the empowerment of the people. In their view, a formal democratic political system is more concerned with representation and political institutions such as political parties, elections and legislatures, than with citizen participation. . . . [E]lections are meaningless unless people are aware of the real choices and the meaning of those choices, as well as having full information concerning policies that will affect them. . . . Therefore, progress towards democracy means strengthening civil society organizations . . . effective control of the public agenda, and just distribution of resources.⁷⁷

Correlative with empowerment of the rural poor is the embedding of the notion in the urban elite that the rural poor have an equal right for their voices to be heard in the nation's democratic institutions. Political reform in Thailand and the deepening of its democracy will be contingent on resolution of these two competing issues. The Thai conflict has become a statement about the enduring schisms in Thai society and the determination of the privileged elite to retain their preminent status. Globalization may have produced greater economic prosperity for the few in Thai society, and a grassroots civil society may confront the well-educated urban-elite civil society. But power sharing, more-equitable distribution of resources, and deeply instilled democratic principles are all embryonic. Despite lacking the gas and oil resources of Myanmar, and being further along with democratic transition, Thailand's fragile democracy has more in common with its neighbor than is usually assumed.

77. Naruemon Thabchumpon, "NGOs and Grassroots Participation in the Political Reform Process," in McCargo, ed., *Reforming Thai Politics*, p. 183.